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ONE HUNDRED NINTH CONGRESS

# Congress of the United States

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## *“From Bureaucrats to Plutocrats: Can Entrepreneurialism Work in the Federal Government?”*

Subcommittee on the Federal Workforce and Agency Organization

Chairman Jon C. Porter

July 13, 2005

I would like to thank everyone for being here today.

Being a former businessman from the Las Vegas/Boulder City region of Nevada, the term *entrepreneur* is one I am not only familiar with, but it's a term that has come to have great meaning for the district I represent. Las Vegas and its surrounding areas have been the center of one of the fastest growing economies in the nation—in large part due to the entrepreneurs who go there to do business.

In the world of business, the label “entrepreneur” is well-worn, but in the Federal Government such a term is rarely used. The worlds of business and government are admittedly distinct in their purpose and in their processes, however, that does not mean that entrepreneurial thinking does not have a place in the Federal Government. To the contrary, the Federal Government needs to incentivize innovative thinking and ingenuity. The purpose of this hearing today is to consider how we might further develop an environment of entrepreneurialism in Federal agencies and, consequently, among the workforce.

The problem, as I see it, in the Federal Government today, is not that we lack hard-working employees, but that the processes they have to work under are stifling. Is it fair that we ask our Federal employees to not only compete with, but to outpace the private sector, and yet we require that they operate under yesterday's management practices? The obvious answer is no—there must be a better solution.

The solution must involve empowering our employees to be not merely administrators of programs, but managers of real problems. We must encourage our workforce to be innovative in their approach to solving the problems that face the American public. And to the degree that we allow our workforce to creatively accomplish the goals set by Congress, that is the degree to which they will act as entrepreneurs.

As we venture further into the Information Age, the trend has been to move toward a more results-oriented, entrepreneurial Government. Just over the past two or three years, this Subcommittee has helped oversee the human resources management system reforms at both the Departments of Defense and Homeland Security. Tomorrow, along with Chairman Tom Davis, I will be introducing a bill to create a Results Commission, which will examine Federal agencies for their effectiveness. And later this month, the Subcommittee will hold a hearing to continue its look into how the Federal Government can free itself from burdensome bureaucratic processes and maximize the use of information technology in the important arena of health care.

To bring the discussion out of the realm of the simply theoretical, I would like to share a real example of an entrepreneur at work in the Government: Brad Gair at the Federal Emergency Management Agency. Mr. Gair was tasked with overseeing the long-term recovery effort following the destruction of the World Trade Center in New York. It was estimated that to clear the debris from Ground Zero would take two years and \$7 billion—Gair saw that it was done in 6 months for \$1.7 billion. This kind of creative thinking, not mired by burdensome delays and processes, allowed him to come in early and under budget—the result of allowing employees to manage.

The question, then, is the one posed in the title of this hearing: Can entrepreneurialism work in the Federal Government? It is my sincere belief that it can.

It is our very great privilege to have some very distinguished guests here today to discuss this issue. Each one brings a unique perspective to the table and so we look forward to a lively and productive time together.

We will hear first from former Speaker of the House of Representatives, Newt Gingrich. Speaker Gingrich has written a thought-provoking paper on how to reform the Federal Government by fostering entrepreneurialism amongst the workforce. He has demonstrated tremendous leadership and intellectual rigor in this area since his time as Speaker and beyond, and we are very glad to benefit from his being with us today.

Next we are very happy to have the Comptroller General of the United States, David Walker, with us today. Mr. Walker brings with him a wealth of experience in public and private sector management and will share with us his ideas as well as his successes in transforming the Government Accountability Office into a high-performance agency.

Last we have the pleasure of hearing from Maurice McTigue, Director of the Government Accountability Project at the Mercatus Center. Mr. McTigue is an expert in Federal management issues and will share with us his thoughts on these issues as well as his experiences in reforming the New Zealand Government in his time as a Member of Parliament there.

